



SUPPLEMENTAL

COUNCIL AGENDA: 06-28-05

ITEM: 2.34

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Katy Allen  
Larry D. Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** 06-21-05

Approved

Date

6/24/05

Council District: 3  
SNI: Delmas

**SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT FOR THE WEST SAN CARLOS STREET STREETScape IMPROVEMENTS PROJECT AND ADOPTION OF 2005-2006 APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE SERVICES FOR REDEVELOPMENT CAPITAL PROJECTS FUND (CITYWIDE REDEVELOPMENT FUND) IN THE AMOUNT OF \$1,088,408.**

## REASON FOR SUPPLEMENTAL MEMO

To provide additional information after bids were opened.

## RECOMMENDATION

- a) Report on bids and award of contract for the W. San Carlos Street Streetscape Improvements Project to the low bidder, Wattis Construction, Inc., in the amount of \$970,407.15, and approval of a contingency in the amount of \$49,000.
- b) Adoption of the following 2005-2006 Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund):
  1. Increase the West San Carlos Street Improvement project (PSM 373#1) appropriation to the Department of Public Works by \$1,088,408.
  2. Increase the estimate for Beginning Fund Balance by \$1,088,408.

CEQA: Exempt, PP05-063.

**BACKGROUND**

The W. San Carlos Streetscape Improvement Project is a part of the Delmas Strong Neighborhoods Initiative (SNI) area. The project site is located on West San Carlos Street, between Bird Avenue and Delmas, within the State Right-of-Way. It is a four-lane commercial street with parallel parking on both sides of the street adjacent to the curb. This street serves as one of the major vehicular thoroughfares to downtown San José from the western direction. The proposed project will provide 46 pedestrian scale streetlights, which will provide additional lighting for pedestrian nighttime visibility, crosswalk striping and wheel chair ramps, street trees, sidewalks, and median islands with landscaping.

This project requires an Encroachment Permit from the State of California, Department of Transportation. The permit is pending final review from the Office of the State Architect.

Construction is scheduled to begin in July 2005 with completion in January 2006.

**ANALYSIS**

Bids were opened on June 9, 2005 with the following results:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Variance Amount</u>	<u>Over/ (Under) Percent</u>
HSR Construction, Inc. (Santa Clara)	\$1,150,194.00	283,194	32
Golden Bay Construction, Inc. (San Carlos)	997,816.90	130,816.90	15
Wattis Construction, Inc. (San José)	970,407.15	103,407.15	11
<b>Engineer's Estimate</b>	867,000.00*	--	--

\* The Engineer's Estimate was revised from the initial placeholder memorandum as a result of changes made to Addendum #2 of the plans and specifications.

The low bid submitted by Wattis Construction is 11 percent above the Engineer's Estimate. A review of the individual bid items revealed that the cost submitted for traffic control and site demolition and soil removal work was significantly higher than the Engineer's Estimate. The unit costs used in the Engineer's Estimate were based on bids received for similar work on several recent median island projects. Staff contacted the low bidder to discuss the results. They stated that the unit costs for demolition and traffic control were higher based on the traffic volume due to the commercial location of the project site and the proximity to the Highway 87 on/off ramps and the Light Rail Transit line, and the City and State lane closure policy. Each of these conditions affected the increased construction costs for the project. Re-bidding the project is not expected to result in lower bids due to the conditions of traffic control and proximity to Highway 87 and the Light Rail Line.

The bid documents were evaluated and found to be in order. The low bidder, Wattis Construction, Inc., has recently completed another median island improvement project for the City, Winchester Boulevard, which was completed on time and provided a quality product. Staff considers the low bid to be acceptable.

Funding for the design phase of this project in the amount of \$160,000 was transferred in June 2004 from the Redevelopment Agency. This memorandum recommends funding from the Redevelopment Agency of \$1,088,407.15 for the construction of this project.

Council Policy provides for a standard contingency of five percent on Public Works street projects. The standard contingency is appropriate for this project.

### **OUTCOME**

Award of the construction contract to Wattis Construction, Inc. will enable the W. San Carlos Street Streetscape Improvements Project to proceed. Approval of the five percent contingency will allow funding for unforeseen conditions encountered during construction of the project. Adoption of the appropriation ordinance and funding sources resolution will provide additional funding needed to construct this project.

### **PUBLIC OUTREACH**

The W. San Carlos Street Streetscape Improvements Project is part of the City's Strong Neighborhood Initiative Program that has been implemented according to priorities set forth within each Council District. Redevelopment Agency staff has met monthly with the SNI Neighborhood Advisory Committee (NAC) and has reported the progress of the design through completion.

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San Jose Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

### **COORDINATION**

This project and memorandum have been coordinated with the Departments of Planning, Building and Code Enforcement, Transportation, Finance, the Redevelopment Agency, the City Attorney's Office and the Office of Council District 3.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$970,407.15
2. COST OF PROJECT
 

Project Delivery	\$ 229,000.00 *
Construction	970,407.15
Contingency	<u>49,000.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$1,248,407.15</b>
Prior Year Expenditures	160,000.00 *
<b>REMAINING PROJECT COSTS</b>	<b>\$1,088,407.15</b>

\*Project delivery includes \$120,000 for Design and Survey Services of the Streetscape Improvements and \$109,000 for Construction Management and Inspection Services. It is anticipated that \$160,000 will be spent or encumbered in 2004-2005 for this project, with any savings rebudgeted to 2005-2006 to complete the project.

3. SOURCE OF FUNDING: 450 - Services for Redevelopment Capital Projects Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The project will have minimal operating and maintenance impacts on the general fund in the amount of \$4,695 for fiscal year 2005-06 and \$9,390 annually, beginning in fiscal year 2006-07.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amt. For Contract	2005-2006 Proposed Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>				<b>\$1,088,407.15</b>			
<b>Additional Funding Recommended</b>							
450	4914	W. San Carlos Street Improvement	133673	\$1,088,408.00	\$970,407.15		
<b>Total Funding for Remaining Project Costs</b>				<b>\$1,248,408.00</b>	<b>\$970,407.15</b>		

HONORABLE MAYOR AND CITY COUNCIL

06-21-05

**Subject: W. San Carlos Street Streetscape Improvements Supplemental Memo**

Page 5

**CEQA**

Exempt, PP 05-063.

*Margaret McCahan for*

LARRY D. LISENBEE

Budget Director

*Katy Allen*

KATY ALLEN

Director, Public Works Department

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) in the Fiscal Year 2005-2006 monies in excess of those heretofore appropriated therefrom, said excess being at least \$1,088,408.

*Margaret McCahan for*

LARRY D. LISENBEE

Budget Director

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Attachment



